

Retention Strategies

A Guide To Finding &
Keeping Top Performers



Table of Contents

I.	Introduction	4
II.	Needs Analysis	6
III.	Possible Solutions and Relevant Resources	
1.	Proper Recruitment and Selection	8
	a. Design a Strategic Recruitment Process.....	8
	b. Conduct Pre-employment Training.....	9
	c. Screen Candidates For Qualifications, Skills and Value Fit	10
	d. Ensure Candidate Is Appropriate Fit for Job	12
2.	Job Market Analysis	13
	a. Maintain Competitive Wage and Benefits	13
3.	Job Satisfaction And Employee Morale	17
	a. Create a Favorable Work Environment	17
	b. Give Your Employees Meaningful and Challenging Work Assignments.....	18
	c. Conduct Employee Opinion Surveys	18
	d. Conduct Exit Interviews	19
	e. Have an Effective Communication Strategy.....	20
	f. Recognize and Reward Great Performance.....	21
	g. Foster Empowerment of Employees.....	22
	h. Seek Input and Suggestions from Employees.....	23
	i. Celebrate Special Occasions	24
	j. Make a Difference In Your Community	24
	k. Support Employees' Non Work-Related Efforts	25
4.	Employee Development And Training	26
	a. Educate Employees All the Time	26
	b. Implement a Performance Management System...	27

5.	Coaching.....	29
	a. Develop Good Supervisors, Managers & Leaders...	29
	b. Develop Internal Candidates for Promotion	30
6.	Fringe Benefits	31
	a. Allow Flexible Work Schedules	31
	b. Establish a Wellness Program.....	31
	c. Locate or provide Child and Elder Care.....	32
	d. Offer Concierge Services	32

Appendix

a.	Measuring Turnover	35
b.	Employee Opinion Surveys.....	37
c.	Recognition and Rewards Programs	40
d.	Checklist for Training and Development.....	43
e.	Coaching Skills for Supervisors and Managers	44
f.	Employee Coaching Script.....	45
g.	Self-Assessment – How Do I Rate as a Coach.....	47

Employee Retention Assessment & Solutions

Introduction

How frustrating is it to lose an employee that just completed the training process, to lose an employee to a competitor, or worse, to lose an employee who has worked at your company for over ten years?

Employee turnover is much more costly than most business owners realize (see *Measuring Turnover* portion of Appendix if you need help calculating your turnover cost). Current research places the cost of recruiting and training a new employee at 90-150% of the former employee's salary when all related costs are taken into account. That is why most businesses need a good retention program that allows the focus to be "growing the business" and not "replacing former employees".

If a company loses an employee for any reason other than the death of the employee, retirement, or employee relocation, it is likely that the loss of the employee could have been avoided. In a recent study, employees were asked to rank 10 items, in order of importance that they wanted from their jobs. Their employers were then asked to guess how they thought their employees would rank the same 10 items. The results, displayed in the table below, were surprising.

What Do Employees Want From Their Jobs?

FACTORS	MANAGERS	EMPLOYEES
Full Appreciation for Work Done	8	1
Good Wages	1	5
Good Working Conditions	4	9
Interesting Work	5	6
Job Security	2	4
Promotion/Growth Opportunities	3	7
Personal Loyalty to Workers	6	8
Feeling "In" on Things	10	2
Sympathetic Help on Personal Problems	9	3
Tactful Disciplining	7	10

Sources: Foreman Facts, Labor Relations Institute of NY (1946); Lawrence Lindahl, Personnel Magazine (1949)

Repeated with similar results:

Ken Kovach (1980); Valerie Wilson, Achievers International (1988)

Bob Nelson, Blanchard Training & Development (1991)

Sheryl & Don Grimme, GHR Training Solutions (1997-2001)

So what does this mean? In simplest terms, it means that factors such as feeling "in on things" and having their work appreciated mean a lot more to employees than you may think. While these may seem like little perks, the reality is that they produce happy and productive employees, so take these "soft issues" seriously.

Many in management contend that if you pay people enough, they will be productive and loyal. But pay usually tends to become very important only when the employee feels his or her pay is below standard for what similar workers earn elsewhere. If your pay is in line with industry averages, chances are that your employees' job satisfaction will hinge more on the soft issues more than on earning a few dollars less than their peers.

There are vast amounts of publications that will tell a company how to keep employees happy and what exactly to do to improve retention. These ideas may be perfect for one company, but may not be applicable to other companies or industries. Each company has to find out what its own employees' hot buttons are for any program to be successful. Companies are made up of human beings, who are unique and are motivated differently. In turn, each business is unique in its own way. Basically, employee retention is about applying the Golden Rule: do for employees what you want done for yourself.

The Workforce Services division of the Virginia Department of Business Assistance realizes that the abundance of resources and ideas make it difficult for many businesses to know where to begin to increase employee retention. We have created this Retention Assessment to walk our clients through the process of recognizing the impact of attrition and understanding possible retention strategies.

Needs Analysis

1. What is your turnover rate?
2. Are you seeing more turnover in a particular job/shift/level/division?
 - ☐ Yes
 - ☐ No
3. Are you seeing more turnover with new or veteran employees?
 - ☐ New
 - ☐ Veteran
 - ☐ Both
4. Are you seeing more turnover in certain demographic categories (gender, ethnicity, etc)?
 - ☐ Yes
 - ☐ No
5. Do you know what turnover is costing your company?
 - ☐ Yes
 - ☐ No
6. What is your recruiting process?
 - ☐ Creation of job profile
 - ☐ Recruitment through local media
 - ☐ Recruitment through community resources
 - ☐ Internet postings
 - ☐ Pre-employment training
 - ☐ Skills/values screening
7. What type of employee development plan does your company have (initial training and ongoing)?
 - ☐ New employee orientation
 - ☐ Job rotation
 - ☐ Technical skills enhancement
 - ☐ Soft skills enhancement
 - ☐ Supervisory/management training
 - ☐ Tuition reimbursement
8. Are you offering competitive wages and benefits within your industry and region?
 - ☐ Yes
 - ☐ No
 - ☐ Not sure
9. Are you gathering data about why your employees are leaving?
 - ☐ Yes
 - ☐ No
10. How are you currently motivating
 - ☐ Recognition and awards programs

employees?

- ☐ Celebration of company milestones
- ☐ Community involvement
- ☐ Professional development
- ☐ Performance management system
- ☐ Coaching
- ☐ Emphasis on promoting internally
- ☐ Flexible work schedules
- ☐ Wellness program
- ☐ Coordination of child/elder care
- ☐ Onsite concierge services

Other Questions for Consideration:

- What is the profile of employees who stay with the company and what are the company's expectations?
- How does the true turnover rate compare over time?
- How does the true rate compare to other local employers within the same industry?
- What is the tenure of all employees compared to those that terminated?
- What recruiting requirements need to be met?
- Are there people on the payroll whose employment is no longer appropriate?
- Are there employees who should be assigned to different responsibilities?
- How strong is your succession planning?
- What promises were made and not kept concerning pay raises and career advancement?
- Who needs coaching and mentoring, from whom?
- What training and development needs should be addressed in the near future?
- Is the current organizational structure consistent with present and near-future needs?
- Why would a candidate want to work for your company?
- What is your reputation as an employer in the community/region?

Possible Solutions and Relevant Resources

Proper Recruitment and Selection

❑ Design a strategic recruitment process

Creating a positive corporate culture within your organization begins with hiring the best people for the right jobs, and that means you need a strategic recruiting program. You can't wait until you have openings to start planning the recruiting strategy. A recruiting strategy consists of developing job descriptions, identifying the skills and abilities required, utilizing effective interviewing techniques, providing pre-employment training and effectively utilizing skill assessment tools.

Before you enter the labor market to recruit, you must first understand the complete profiles of the individuals you need to hire. An essential part of a recruiting strategy begins with designing job descriptions. Some of the key business reasons to have job descriptions are: They clearly define job responsibilities and expectations; they keep employees focused on their job and away from "poaching" in someone else's job territory; and they can serve as a benchmark for evaluations, pay increases and bonuses. In addition to these benefits, maintaining job descriptions will also enable you to hire the right candidate for that position. In developing these job descriptions and skill requirements, identify the most important knowledge areas, skills and abilities the ideal candidate should possess. These are referred to as "factors" by HR people.

Next, design your interview plan and create the behavioral questions to ask all candidates to clearly demonstrate to you that they have these critical factors. Probe for specific examples of both successes and failures. Keep in mind that what an applicant has done is a better indicator of future job success than what the application knows or believes. Behavior-based questions are an effective tool in the interview process.

To ensure that you understand the individual as well as possible, involve one or two other interviewers in this process. In that way, you can all share your insights and impressions of the candidate. Furthermore, one interviewer can add an aspect to a question that another one may have overlooked. Two or three heads are often better than one.

Finally, make sure you know enough about a candidate before you hire that person, and never, ever hire even a moderately qualified person just because

you need someone now. That rushed hire will likely become a problem employee. And you know how long and painful it can be to terminate someone and advertise, screen, interview and hire another person. So take your time and make sure you have the best person possible for every position. You and your company will be pleased with the results.

Sources: *Hire and Keep the Best People* by Brian Tracy; *Writing Great Job Descriptions* by Chris Kelleher

Additional Resources:

Examples of Behavior-Based Questions and Follow Ups by Arthur H Bell, Ph.D.
Recruit and Retain the Best by Ray Schreyer & John McCarter
Hiring with your Head by Lou Adler
Hiring Tough, Managing Easy by Mel Kleiman
www.workforce.com (Research Center: How Do I Develop a Competency Model for Recruiting?)

❑ Conduct pre-employment training

Screening activities should be designed to select employees who are the most talented and will best fit with the organization. One activity proven successful is pre-employment assessment and training. Inviting selected applicants to participate in a pre-employment training and assessment event enables both you and the candidate to make an educated employment decision. Pre-employment training provides both the organization and the individual the opportunity to clarify expectations. Costly turnover can be avoided by allowing organizations to specifically state what they want from a new employee, while a realistic job profile helps the candidate determine if the job is right for them as an individual. Clarifying expectations is an effective, inexpensive retention tactic that gives employees realistic job expectations. These classes allow a candidate who is not the best fit for the job to withdraw from consideration or “self-select” for the job. Pre-employment classes have been successfully used to increase retention.

Pre-employment training and assessment classes vary but are usually held for two to three hours for three or more sessions. Successful classes contain the following curriculum:

- Company Orientation
- Hands-On Training
- Industry/Job Related Studies
- Team Building Exercises

▪ Skills Assessments

Since pre-employment applicants will have been pre-screened, the sessions can also include skills testing and brief job-related training.

Pre-employment is an effective candidate selection tool that has been proven to reduce training cycles and reduce employee turnover. You select the candidates that are invited to participate in this training and you hire only those candidates that you feel are the most qualified candidates that meet your screening criteria. Each candidate should be required to sign a pre-employment statement that releases you from any legal liability to hire these individuals. You may use your instructors or instructors may be provided from other training resources. The trainees participate on their own time so you are saving 100% of the wages while they are enrolled in this instruction. You are able to measure their attendance, ability and motivation to learn.

Additional Resources:

Recruitment & Selection. Workforces Services, Virginia Department of Business Assistance

Managing Employee Retention by Jack J. Phillips and Adele O. Connell

Happy Reps Make Happy Customers by Sarah Fister Gale

❑ **Screen candidates for qualifications, skills, and value fit**

Organizational success depends on having the right employees with the right competencies at the right time. Measure your applicants' and current employees' skills with high-quality employee assessments. Choose from the hundreds of tests available in the areas of technology, professional services, administration & support, industry knowledge, healthcare, computer software and languages & communications.

Assessments provide detailed and thorough results that help quantify the skills of job candidates or trainees. The benefits you'll see from assessments are:

- Reduce recruiting cycle
- Measure job expertise and confirm pre-existing knowledge
- Reduce turnover due to misrepresented qualifications
- Motivate your staff to develop new skills
- Reward employees for qualifying their skills
- Increase productivity, moral, and commitment
- Reduce training costs

Pre-employment testing may be an option for your recruiting strategy. But, is it a solution?

Pre-employment testing can provide insight into whether a candidate will make a good employee. The predictors of performance by a candidate after they are hired line up like this:

- | | |
|--------------------------|------------------------|
| ▪ Interviewing | 14% (percent validity) |
| ▪ Reference checking | 26% |
| ▪ Tryout | 44% |
| ▪ Pre-employment testing | 53% |

What can tests tell you?

There are three main categories of performance that testing can help predict:

- The candidate's character — trustworthiness, work ethic, substance abuse.
- His or her behavior on the job — motivation, teamwork, objectivity, creativity.
- The candidate's abilities as they relate to the demands of the job — problem solving; vocabulary, spelling and word usage, arithmetic, speed and accuracy in handling details, mechanical aptitudes.

Of course you cannot let pre-employment tests select candidates for you. The traditional screeners still apply — including interviewing for compatibility of chemistry. But it usually costs less than \$200.00 for effective pre-employment testing of a candidate. The economics of testing are a no-brainer; you can't afford not to.

They aren't a panacea but they can often highlight future problems and, if you pay attention to them, avoid hiring disasters.

Primary Source: Avoiding Hiring Disasters by Tom Weinstock

Additional Resources:

How Can Psych Tests Help in Assessment by Linda B. Greensfelder

How Should We Use Cognitive Tests by Charles Handler

Putting Job Candidates to the Test by Sarah Fister Gale

There Will Be a Test by Barry Farber

Using Assessment Tools for Better Hiring by Dr. Charles Handler & Dr. Steven Hunt
www.workforce.com

Assessment Options:

www.act.org/workkeys/assess/
www.assessmentsforsuccess.com/pre_emp_tests.htm
www.profiles24X7.com
www.apptitude-testing.com (for mechanical aptitude)
www.pantesting.com/home.htm
www.newhiretesting.com
www.personnelinsights.com

☐ Ensure candidate is appropriate fit for job

Most employers will tell you the selection of the “right” people is critical to the success of their organization. One of the most important factors in recruiting is achieving the appropriate “job fit”.

Job fit refers to the employees compatibility or comfort with the organization and the type of work. It is the similarity between what the employees want to experience on the job and what the organization actually offers. Basically, it comes down to answering this question. “Will the employee like this type of work?” The greater the job fit, the more satisfied employees will be and the longer they will remain in the organization. Achieving job fit not only involves the type of work but also how well employees can interact with coworkers and their ability to work within the culture of the organization. It may take a little longer to find the right people, but, it's worth the time and the trouble to screen properly to get the people who are best suited. There are screening tools designed to assist organization in selecting the right applicants.

Source: *Managing Employee Retention* by Jack Phillips and Adele Connell

Additional Resources:

[Keeping Good People](#) by Roger E. Herman
www.workforce.com (Did You Get the Employee you Wanted?)
www.HRtools.com
www.profiles24X7.com (Strategic Hiring Systems Pays Off)

Job Market Analysis

❑ **Maintain competitive wages and benefits**

Typically, pay is not the primary issue for recruiting and retaining qualified employees. Likewise, people rarely leave their jobs for pay alone. Regardless, pay is still an important factor in recruiting and retention. An organization has to pay talented people whatever it takes to hire them in comparison with what they could get working somewhere else. The goal of your company should be to pay exactly the right amount and no more to get a qualified person.

Two factors are involved in managing pay and compensation:

1. Controlling Costs, and
2. Leveraging pay (getting the most "bang for the buck").

When you decide how much to pay employees, the issues revolve around the principle that you want to pay your employees enough to keep the good ones, but at the same time you can't afford to pay so generously that your business's cash flow is jeopardized. Issues you should consider when addressing the "how much" questions are:

- How much other employers are paying?
- How to review your pay package?

When evaluating your pay structure, categorize employees by job. Jobs should not be defined too narrowly. Too many jobs can cause the compensation system to be cumbersome and difficult-to-administer. Considering the pace at which jobs change today, an agile and flexible system is most effective. Create a few job levels for each job (e.g. intermediate, senior, etc).

Then compare your compensation plan to the labor market. The U.S. Department of Labor and your local Virginia Employment Commission are a great place to start. There are also many commercial salary surveys available. It may be difficult choosing which survey best fits your needs. If you are not sure which to purchase or in which to participate, ask your local competitors in which surveys they participate. They will usually be happy to assist you because they want to have the benefit of your data just as much as you would like theirs. Another source is the internet. Although the validity of internet sources may not always be sound, you will find the information helpful in a few ways. First it may provide a basis with which to establish financial values for the jobs. Second, it can tell you how well you pay relative to the labor market. Surveys can also provide you with information for establishing salary ranges. Finally, surveys can

give you an idea on how many job levels to establish for each job group. You don't have to follow what the market does. For example, you may choose to pay more aggressively for some jobs than others, based on your view of the criticality of a particular job and its vulnerability to turnover. Variable pay, profit sharing opportunities and pay for performance are also attractive options for employees.

When considering pay issues, make sure that you're in compliance with minimum wage and overtime laws.

An important part of the total pay package is the range of benefits you are offering to the employee. Other attractive benefits such 401Ks, stock options, employee savings plans, tuition assistance, etc. should also be emphasized in your recruiting/negotiation efforts.

Sources: Compensation and Benefits, Auxillium.com; Survey Shows Traditional Benefits Still Most Popular, Personnel Policy Service, Inc.

Health and Welfare Plans

To a person with a family, an attractive medical insurance package can be more valuable than a higher salary. Like pay, benefits are costly to an organization. Many organizations value and understand the basic need employees have for benefits and may spend an additional 25 – 50 percent of the employee's salary on benefit packages. However, providing a benefit package addresses only half of this need – the other half is communicating what the benefits do for employees and their families.

According to a survey by Society for Human Resource Managers (SHRM), health care benefits were the top organizational tactic used for employee retention, with 94 percent of respondents saying they used benefits. This ranked ahead of new hire orientation (90 percent), an open communication policy (89 percent) and pay raises (87 percent).

You may have heard about new, cutting-edge benefits employers are offering to attract and retain employees, such as concierge services and take-home meals. However, a recent survey of human resource professionals conducted by SHRM reports that most employers still primarily provide traditional benefits such as health insurance and paid leave. The survey respondents work at a wide variety of employers, including manufacturers, health services, financial institutions, and nonprofit organizations, which range in size from less than 100 employees to over 5000 employees.

According to the survey, almost all of the respondents offer some sort of health insurance (99%), dental insurance (96%), and life insurance (95%). Health screening and wellness programs also are popular. (See Fringe Benefits)

Family-Friendly Benefits Emphasize Flexible Scheduling

Most respondents to the SHRM survey offered benefits that focus on flexibility for employees who want more family time. Over half of the respondents (51%) offer flextime, while over others allow different alternative work schedules, including compressed work weeks (27%), telecommuting (26%), and job sharing (22%). However, both childcare and elder care benefits are relatively rare. Only 6% of the respondents subsidize childcare costs, and 17% provide childcare referral services. Elder care benefits fare even worse, with only 1% of respondents subsidizing the costs of elder care and 15% providing referral services.

Paid time-off benefits are also an attractive recruitment tool. Vacation, paid personal days, paid sick days are part of an effective benefit package.

Unusual Benefits Few and Far Between

In spite of the media's focus on the unusual, most employers do not offer the new personal "lifestyle" perks. Only 10% of respondents offer dry cleaning services, while concierge services (where a hotel-type concierge arranges personal services like dinner reservations and personal shopping) are provided by 4%. Pet health insurance (to cover Fido's surgery), naptime (to rejuvenate the harried executive or shift worker), and prepared meals to take home are offered by only 1% of the organizations surveyed.

Percent of Companies Surveyed Offering Traditional Benefits

Benefit	% Offered
Health Insurance	99
Dental Insurance	96
Life Insurance	95
Paid Vacation	87
Paid Sick Days	74

Source: Survey Shows Traditional Benefits Still Most Popular (http://www.ppspublishers.com/articles/survey_benefits.htm)

Additional Resources:

US Department of Labor
Virginia Employment Commission

Employee Retention: Your Key to Bottom Line Success by Roger E. Herman
Rewarding Excellence: Pay Strategies for the New Economy by Edward E. Lawler III
Pay People Right!: Breaththrough Reward Strategies to Create Great Companies by Patricia K. Zingheim
Play to Your Strength: Managing Your Internal Labor Markets for Lasting Competitive Advantage by Haig Nalbantian
www.shrm.com (Society for Human Resource Management)
www.ppspublishers.com/articles/survey_benefits.htm
www.HRTools.com/HRessentials
www.auxillium.com (Compensation and Benefits)

Job Satisfaction and Employee Morale

❑ Create a favorable work environment

Let's face it... in most instances, you need your employees more than they need you. That means, if you aren't an employee-friendly company, you're going to have to become one. That doesn't mean you have to throw over business suits and issue roller blades, have parrots flying free and hip hop playing on the stereo system. But what it requires may be a new attitude, one where employees are treated fairly, challenged, rewarded, understood and are meant to feel important to the organization. If you make your environment a place that people look forward to coming to, you'll have them coming back day after day, year after year. Happy employees in a pleasant work environment will produce better quality work and provide top-notch customer service.

One Fun Corporate Success Story:

Gymboree, in Burlingame, CA, operates/franchises more than 400 interactive parent/child play programs worldwide. Corporate leaders realized that there might be an interesting synergy between their products and their desire to keep their employees happy and fresh. Applying the company's "celebrate childhood" philosophy Gymboree began a once-a-week program of "corporate recess." Every Thursday at 3 pm, a bell sounds over the public address system. Recess lasts for 20 minutes. Their campus sports a lake with a walking area, and hopscotch is available. The purpose is to get employees to spend a few minutes together outside of the work environment catching up with one another, getting some fresh air and exercise, and further creating a sense of teamness. There's more: each Wednesday at 3 pm, Gymboree provides snack time for its employees. This break also lasts for about 20 minutes, during which time workers come together in a central location to munch on snacks that range from chips and salsa to cookies and milk.

Additional Resources:

Building a High Morale Workplace by Anne Bruce

Keeping Good People by Roger E. Herman

Here Today, Here Tomorrow by Gregory P. Smith

How to Become an Employer of Choice by Roger E. Herman and Joyce L. Gioia

Getting Employees to Fall in Love With Your Company by Jim Harris

Finding and Keeping Great Employees by Jim Harris and Joan Brannick

❑ **Give your employees meaningful and challenging work assignments**

Today's employees are motivated by more than just the work that has to be done or how much money they need to make. They're bringing their hearts to work and need to be motivated accordingly. Frequently, once a position has been filled, management breathes a sigh of relief and forgets all about the new employee. The company's mission has been accomplished and no one looks any further. Employees are expected to keep churning out good work without ever growing, stretching or developing.

But finding and keeping good employees requires that they feel challenged and needed. The best way to lose your most talented employees is to let them get bored. Prevent them from feeling stagnated by providing them with challenging work and new projects. Just because they come in as an expert in one area doesn't mean they can't branch out. Allow them to grow with the company. Smart organizations will encourage this and motivate managers to source and hire internally whenever possible — even if it will require a bit of training. Be sure to continuously take the pulse of your employees. Find out what it is the company can be doing and should be doing to keep their interest in the work and to allow the company to evolve.

Additional Resources:

Coaching for Improved Work Performance by Ferdinand F. Fournies
Generations at Work: Managing the Clash of Veterans, Boomers, Xers, and Nexters in Your Workplace by Ron Zemke, Claire Raines, and Bob Filipczak
Intrinsic Motivation at Work: Building Energy & Commitment by Kenneth W. Thomas

❑ **Conduct employee opinion surveys**

The simplest, most obvious way to get information about how your employees are feeling is to just ask them. Are they getting what they want out of the employment relationship, or is there a complaint about working conditions that you can correct? One obvious time to do this is when you conduct annual or semi-annual performance reviews. As a part of that process, you can bring up the issue of what the employee likes and dislikes about the job, and the general working environment. Of course, some workers may not always be honest with you, either because they are afraid that you, as their boss, may retaliate, or because they don't really know why they are unhappy. But in most cases, you'll learn enough to be able to make changes where necessary.

If you have a larger number of employees, or if you have a few employees who tend not to express themselves in meetings, a written survey or opinion poll on employees' job satisfaction may be a better option. It doesn't have to be long and involved, but it should give your employees a chance to think about what they want and to express themselves more effectively. Doing a written survey has several advantages:

- It allows employees to take their time and think about their responses.
- It allows them to be more candid and possibly to be anonymous.
- It takes up less work time, as employees will often complete surveys when they are on break, at lunch, or at home.
- It allows you to standardize the information that you get. (Face-to-face meetings tend to give you different information on a variety of topics that is hard to summarize.)

Wondering what to ask? Think back to when you were trying to attract your good employees, but instead of asking about their experiences with other companies, as you would in a recruiting interview, ask about the employee's experience with your organization. What has been learned? What has been accomplished? Talk about expectations of the company that have not yet been met and additional training and mentoring desired. Ask about their career goals and explore interest in learning new skills, assuming new and different responsibilities. You may find that your employees are happy campers. Or you may discover opportunities to strengthen your bonds with these important members of your team.

Just be sure that management is committed to thoroughly reviewing the results and making specific changes to improve morale.

Additional Resources:

See Employee Opinion Surveys portion of Appendix.

Employee Opinion Questionnaires: 20 Ready-to-Use Surveys That Work by Paul M. Connolly and Kathleen G. Connolly
Employee Attitude and Opinion Surveys by Mike Walters
www.hrtools.com
www.shrm.org

❑ Conduct exit interviews

Too often, organizations do not have reliable data, or do not collect data at all, on why employees leave. To be effective in combating turnover, companies and managers need information that is accurate and gets beyond the "safe"

reasons for leaving given in traditional exit interviews. This means understanding the root causes of why employees really leave, not what they tell their bosses or HR to avoid "burning bridges." This data helps the organization target development programs and develop the people that will have the most impact on turnover and retention. Additionally, most departing employees appreciate the opportunity to let the management know where problems exist. Even if an employee is leaving, they still have an emotional investment in the prior company, and being able to provide feedback is a way the employee can feel like they are making a final contribution or getting certain issues off their chest.

Exiting employees offer the most valuable source of honest opinions and, when tracked over time, can provide trends of both problem and success areas within a company. Assure them that information will not be used to have something against the employee in court or to give the employee a lousy reference later. Know that the information gained may, however, help a company avoid costly legal action by determining areas of the company that may require investigation for treating employees unfairly or illegally. Basically, the information should be used to make the company a better workplace.

These days, new technology, such as email and the Internet, allows companies to make their exit interview process more efficient and effective than ever before. A web-based exit interview system can provide a self-service method for employees to provide feedback where the software automatically compiles, tracks and analyzes the results. Keep in mind, though, that electronic exit interviews don't allow you to explore issues that arise more deeply or to gather non-verbal clues that would be visible in an in-person interview. Rather than conducting exit interviews as a former employee is heading out the door, you might consider waiting a month to 90 days to do a "post-exit" survey. This lets you collect data from departing workers after the emotion of their leaving has died down.

Additional Resources:

The Exit Interview by John D. Drake
www.hrtools.com

❑ Have an effective communication strategy

Silence is the greatest enemy of retention. When management does not update the employees on the financial and business state of the company and when rumors can be counted by the minute, turnover goes up and productivity goes down. While some people hunker down and hide, the best ones usually start looking. No one expects assurances or guarantees, but they do hope for an

understanding of trends. Are things better, the same, or worse? Are customers leaving? How is sales volume?

Tell employees periodically about the advantages of employment by benchmarking competitors and communicating your advantages. Explore various communication methods, such as focus groups, on-line data bases and hotlines, and attitude surveys. Demand that good communications be a priority for all managers and measure progress.

Managers need to follow Tom Peters' "excellence" principle of management by wandering around -- getting out among employees to discuss important day-to-day issues. Consider asking such questions as, "What can we do to make your job easier ... better ... to create a better experience for you?"

Communication is also key in your performance management system since relationships thrive on the exchange of information. Frank and frequent two-way communication between employees and their managers about career development activities is critical. Such communication should include assessing an employee's competencies in terms of technical ability, project management, innovation, effectiveness, communications and process skills. Employees ultimately want the employers to use this information to help them find promotions or new positions within the organization that will offer them a greater challenge or more financial incentive.

Additional Resources:

Corporate Conversations: A Guide to Crafting Effective and Appropriate Internal Communications by Shel Holtz

73 Ways to Improve Your Employee Communication Program by Jane Shannon

❑ Recognize and reward great performance

One of the main reasons people grow restless and dissatisfied is that they feel their work is not appreciated and their efforts go unnoticed. Fortunately, there are many ways to remedy this. First, make sure that all front-line managers know that your company wants to recognize hard work and innovation. Talk to top management about tying bonuses for front-line manager to the development and the discovery of excellence in their staff and then allow managers to recognize and reward outstanding or exemplary performance.

Next, when you find out that employees are going beyond the minimum job requirements to make processes and systems better or to save the company money, reward them. Cash bonuses are nice, but in this time-strapped era, a

paid vacation or extra paid time off might be more appreciated. Awards, movie or event tickets, recognition events, spontaneous surprise breaks, the opportunity to advance, or even a simple thank you card will help retain top talent who will feel that their extra effort is not lost on the company. It will also boost their self-esteem and keep them from looking elsewhere for recognition.

Don't slip rewards to top talent on the side quietly. Broadcast their rewards so that other employees are motivated and see that the company is appreciative of good work. Send an e-mail about the accomplishment and reward. Make announcements at meetings. Write up a mention in your company-wide newsletter. Post a list of top performers on your bulletin boards. Get the word out that yours is a company that acknowledges good work.

Keep in mind that incentives must be fairly administered. The key is to set standards using measurable, objective criteria, then reward people for meeting or exceeding the expectations. Remember, an important feature of this effort is to reward managers who improve retention, reduce turnover and take development of their employees seriously. In addition to offering rewards for their efforts, recognize them by using them as mentors, role models and trainers for how to manage people effectively. They are your best defense against turnover. Remember to support and reward them, so that they remain satisfied and motivated to help you in your on-going efforts to retain your key employees and keep them productive.

Additional Resources:

See Recognition and Rewards portion of Appendix.

1001 Ways to Reward Employees by Bob Nelson
Make Their Day! Employee Recognition That Works by Cindy Ventrice
www.hrpowerhouse.com/Personnel_Recognition/index.asp

❑ Foster empowerment of employees

Is your company the kind of place people want to work? Are they empowered? How about accountable? Do workers collaborate to achieve results, or wait for management to make decisions? Do workers have a clear sense of mission, of goals, of measurement of accomplishment? People want to work for successful companies . . . where they can help achieve that success. Empowerment is simply increased responsibility for work and decision-making.

In order to truly empower your employees, you will need to encourage risk-taking. Let employees experiment and try to find new ways to help the business

reach its goals. Don't create a culture where employees are afraid to try anything new because if they fail they will be punished. Allow a certain amount of failure, and reward people for trying.

Additional Resources:

Zapp! The Lightning of Empowerment: How to Improve Productivity, Quality, and Employee Satisfaction by William Byham and Jeff Cox
Walking the Empowerment Tightrope: Balancing Management Authority & Employee Influence by Robert Crosby

☐ Seek input and suggestions from employees

One of the main causes of decreased morale in the workplace is the lack of employee's ability to provide input and suggestions. Employees need to feel that they have an impact of their environment and that their ideas are valued. A very beneficial way to create a continuous improvement program.

Employee suggestion programs can offer any organization a distinct competitive advantage with their many benefits including cost savings, increased revenues, decreased waste, improved quality, safety, customer service, employee satisfaction and improved corporate culture.

Each company has their own procedures for how they use employee suggestions, but the important key to this is to ensure the input is valued. In the event the suggestion is not used, it is important to return to the employee with an explanation as to why the suggestion would not benefit your company. Ensure the employee feels that the input is welcomed to the employer.

There are many ways to implement these programs. Below is a list of useful resources to help establish an employee recognition program:

Additional Resources:

Employee Suggestion Systems: Boosting Productivity and Profits by Robert L. Bassford and Charles L. Martin
www.suggestionsystems.com
www.biztrain.com

❑ **Celebrate special occasions**

How do you celebrate special events in the workplace? Think about this one for a moment and remember each person has events or days that are important to them. It may be a birthday, anniversary, engagement or simply celebrating a milestone at work such as one year with the company. What is so important about these days? They matter to the employee.

One small gesture of acknowledgement can go a long way. So, send a card on your employee's birthday signed by all of the distinguished figures in your company. Another suggestion is to call your employee. This is a very personal touch that can really boost an employees feeling of worth to your company.

Some other ideas:

- Certificates for work anniversaries
- Movie tickets or dinner gift certificate for birthdays
- A small gift for the birth of a baby
- A gift basked for an engagement of anniversary.

Additional Resources:

Memories in Moments: Over 600 Timeless Ideas for Celebrating Life's Special Occasions by Susan Stone and Roxanne M. Smith

❑ **Make a difference in your community**

Employees are consistently stating that they have a desire to affect change in their lives and those around them. As a company, you have the ability to respond to that need.

Some ways to give back to the community is to hold a community service day. Various projects can be held on this day and the employee can choose those in which they would like to participate. Some examples are:

- Mentoring and tutoring students at local schools.
- Cleaning up a park.
- Visiting nursing homes.
- Assisting with Special Olympics

The company can also choose to donate money to worthy causes such as fuel assistance for the elderly or needy or purchasing dinners for the needy at Thanksgiving, Christmas. The list goes on and on, but all of these are terrific ideas for making a difference.

Additional Resources:

Positively M.A.D, Making a Difference in your Organizations, Community and World by Bill Treasurer

☐ Support employees' non work-related efforts

Employers are seeing there is a new trend of employees who are involved in many different extra-curricular activities. Many employees feel they are not supported in these efforts or that they are not being allowed pursue these activities in the workplace.

For example, an employee may be highly active in the Girl Scout association; a company can support this initiative by purchasing Girl Scout cookies. Perhaps you have an employee who works to raise money for breast cancer awareness, a good idea would be to hold a breast cancer awareness day and contribute to the cause.

There are many other interests in which your employees may participate in, therefore, find ways to become actively supportive of these activities to show employees that you are truly interested in their lives not just their productivity.

Additional Resources:

www.workforce.com (Create a Home Away from Home)

Employee Development and Training

❑ Educate employees all the time

Research is showing that people want to learn and grow. In order to increase retention, consider ways to offer personal and technical training to your employees. It's an important benefit of working for a good company, and it bonds people to the company.

Education and development are the cheapest retention tools in your arsenal. Locking people into degree or certificate programs is almost a guarantee that they will remain with your firm until they complete the program. Most will be loyal and thankful. And all of them will be better educated and hopefully more productive employees.

But development can also occur through on-the-job development and through many informal networks and conversations. Many employees who leave organizations are simply looking for a bigger challenge or the opportunity to use a new skills or degree. Smart organizations will encourage this and motivate managers to source and hire internally whenever possible — even if it will require a bit of training.

The approach to development should be tailored to the organization's learning style, budget, culture and timetable. There is not a "one size fits all" solution or approach to designing a development plan. One aspect of development to keep in mind is that employees will benefit from a combination of individual and group development programs. Mentoring, coaching, traditional classroom course work, short-term assignments and self-study can be combined to customize development for any leader. However, before constructing the development plan, keep focused on the skills that need to be developed and check out training programs carefully. How do they measure results? What is their track record of success? Who else has attended their programs? Can they provide references? Critically evaluate any training program before investing money and the time of your leaders in something that is less than excellent or may be too generic an approach to really benefit the needs of your leaders.

Additional Resources:

See Audit Checklist: Training and Development portion of Appendix.

Also ask your Workforce Services Project Manager about our Train-the-Trainer module.

❑ **Implement a performance management system**

Sound performance management can have a positive impact on almost every aspect of your business - from productivity and profitability, to employee retention and morale, to almost every measurable aspect of success.

Ensuring a successful performance management system is hard work. You first need to ask yourself – what do I want from our performance management system, and what do my employees want from it? Organizations typically want improved organizational results, to stay focused on strategic priorities, be adaptable, and provide a culture that will attract and develop employees. Data tells us that employees want a good relationship with their managers, meaningful work, cooperation with co-workers, trust in the workplace, opportunities for growth and advancement, and a clear understanding of work objectives.

To achieve the wants of both the organization and its employees, a sound performance management system is necessary. The key ingredients to installing such a system into a successful implementation include the following:

1. Communication: Making the business case
2. Accountability: Clear roles and accountability for all key stakeholders, including the CEO.
3. Skill: Skill development for all involved.
4. Alignment: Aligned systems to reinforce the desired behaviors.
5. Clear measurement: The use of lead and lag measures.
6. Create a line-item budget to be shared by all employees.

A performance management system that works is critical to employee retention. Let employees know where they stand and how they are performing. Offer the opportunity to move within the company to jobs that may fit their skills and interests better. Keep the bureaucracy to a minimum and remove time constrictions. A major reason for employee unease and anger is insecurity over how their performance will be assessed. Very few employees have strategic performance objectives or spend time periodically reviewing their achievements with their boss.

Make skill development for bosses a performance criterion. To really make skill development part of the culture and have it be understood as serious criteria for advancement, organizations need to track development results as part of the performance review system. If your organization uses a 360-degree performance tool, ask employees whether they have seen improvement in their boss's managerial skills. If you use a more traditional performance review tool,

track whether bosses have improved their managerial skills through employee surveys or other reliable methods and tie the results to the performance review. Remember that profits mask problems, so go to the source -- the employees themselves -- to assess whether the boss is improving in the critical skill areas.

Employees also will be watching the performance of the organization, to see whether it "walks the talk" and demonstrates that it is serious about developing its leaders. Also important is the behavior of those at the top of the organization. There will be a very positive message sent if top executives are seen allocating a portion of their busy calendars to their own training and development efforts.

Remember, an important feature of this effort is to follow through and recognize and reward results. Compensate or promote bosses who improve retention, reduce turnover and take development seriously. In addition, recognize them by using them as mentors, role models and trainers for how to manage people effectively. They are your best defense against turnover. Remember to support and reward them, so that they remain satisfied and motivated to help you in your on-going efforts to retain your key employees and keep them productive.

Without clear goals and a real-time feedback system, you can't get the kinds of performance you need from your employees. And the sum of employee performance equals your corporate performance.

Additional Resources:

www.shrm.org/technet/library_published/IC/CMS_000118.asp

www.hrtools.com

www.ddiworld.com/pdf/ddi_gettingthemost_wp.pdf

Coaching

❑ Develop good supervisors, managers and leaders

Although we recognize and value the coach's role in the sports arena, we often fail to transfer the principles and practices of coaching to the corporate "playing field". But in today's organization, coaching is an integral part of the overall performance management system.

Today's managers can't stop at simply evaluating performance – they need to manage it. That means providing employees with information about performance issues as they occur rather than just once a year. The purpose of coaching in these situations is to improve that performance. And, in some cases, coaching becomes one of the first steps in the process of progressive discipline.

Besides improving performance, coaching can also have a positive effect on employee morale. Managers today sometimes have difficulty motivating their employees. Many have discovered that coaching is an effective approach to increasing productivity and improving employee job satisfaction.

Coaching differs from training, which is a structured process that provides employees with the knowledge and skills to perform job tasks. There are two different types of coaching: on-the-spot coaching and planned, formal coaching. Both can be effective if done properly, and in the right setting. Good coaching, whether planned or spontaneous, focuses on developing the employee, not making the manager look good.

Coaching is an ongoing process designed to help the employee gain greater competence and overcome barriers to improving performance. The goals of coaching are to create a change in behavior and to move employees from where they are to where you want them to be. Coaching encourages people to do more than they ever imagined they could.

Additional Resources:

See the following portions of the Appendix:
Coaching Skills for Managers and Supervisors
Employee Coaching Script
Self Assessment – How do I Rate as a Coach?

Effective Coaching by Marshall J. Cook
Improving Workplace Performance Through Coaching by Karen Lawson

❑ **Develop internal candidates for promotion**

Promoting from within is a great strategy to ensure that your upper level management is not only familiar with your company, but that they are also better able to relate to your staff. It also sends a clear message to your employees that there is opportunity for a career path in your company and therefore encourages their loyalty. Make sure any overt barriers to the promotion of internal candidates are removed. For example, are you posting information about position openings and developmental opportunities in an organization-wide system accessible to all employees?

Be careful not to promote top performers to the point of failure. If they feel they cannot succeed at the new job, you will lose them to your competition, where they become a top performer again—doing their old job!

Additional Resources:

Motivating Employees by Anne Bruce & James S. Pepitone
Leadership Skills for Managers by Marlene Caroselli

Fringe Benefits

☐ **Allow flexible work schedules**

It is important to find a balance between what people want in their lives and what you need to run the company. Show your employees you care about them by seeing how flexible you can be in your work hours:

Let's look at some ideas:

- Early start times so the employee can leave earlier
- Compressed work weeks or working 4/10 hour days
- Telecommuting (working from home)
- Part-time opportunities

All of these options demonstrate a flexible work schedule, however you as a company can utilize the options which will work best in your environment.

Additional Resources:

Alternative Work Schedules by John L. Pierce

New Work Schedules in Practice: Managing Time in a Changing Society by Stanley D. Nolin

☐ **Establish a wellness program**

In today's world there is an increasingly strong movement of people who are concerned about nutrition, exercise and stress management. Employers are becoming more in-tune with these concerns and finding more ways to support these initiatives.

One of the most effective ways to show support is by establishing a wellness program. This can start with the benefit package.

Review your company benefits and see where you may be able to add value and promote a healthier lifestyle. For example, you can add a free yearly physical exam to your benefits or find ways to reduce your premiums.

Some other things to consider as part of your wellness program:

- Bringing mobile clinics to your site annually
- Offering flu shots on site
- Bringing a dentist to your site annually
- Offering healthy snacks in the vending machines.

- Sponsoring an on-site gym
- Paying for a portion of a gym membership or weight loss program
- Holding stress management workshops

Remember healthy employees are happy employees!

Additional Resources:

Wellness in the Workplace: How to Plan, Implement and Evaluate a Wellness Program by Merlene T. Serman

☐ Locate or provide child and elder care

One of the major causes of employee turnover is the challenge of finding reliable childcare/eldercare. Many employers have been offering on-site childcare or childcare located nearby the facility.

As part of the benefit package a company may consider paying for childcare/eldercare or subsidizing the expenses. The costs of an employee missing a day of work are far outweighed by the price of a day with childcare/eldercare.

Backup childcare/eldercare is also a concern. Employers should contract with a local home health business and daycare to offer emergency backup care if necessary.

Look at the big picture and find ways to assist in this much needed arena. Employees will greatly appreciate a company's response to this issue.

Additional Resources:

www.kiddiecampus.com (Advantages of providing childcare to your employees)

☐ Offer concierge services

A work/life balance surfaced as a critical need in the early 90's, however as time has elapsed the need for this balance has become even more crucial. In an effort to help promote this, companies began offering concierge services to take care of the employee's needs and promote more time with families.

Today's workers have a myriad of needs and in an effort to take care of the employees, company's should put in place some type of concierge service to take care of those needs. The services should include:

- Dry Cleaning
- Car Washing
- Financial Services
- Grocery Shopping

These are only a few. Employees may express additional services based on need, so it is a good idea to ask the employees what would make their jobs and lives easier.

Another option with the growing needs of today's workers is to implement a virtual convenience service. This would allow employees to use a customized website or toll free number to get access in order to get their errands done. These range from personal chores to household services. This allows employees to spend time at home with their families instead of doing all of these chores and errands after leaving work for the day.

Employers who have implemented this say that by alleviating these off-the-job concerns, employees are more focused and loyal leading to higher employee satisfaction.

Additional Resources:

The Concierge Manual by Katherine C. Giovanni and Ron Giovanni

APPENDIX

MEASURING TURNOVER

Tracking Turnover

Follow these steps for tracking turnover:

- Keep a list or file of employees that leave. In the file, include:
 - the length of time that the employee worked for you
 - the position that the employee held
 - the reason that the employee left (information from an exit interview can help here)
- Over time, try to spot trends in turnover.
 - Are there positions that you have trouble keeping filled?
 - Do employees tend to stay for the same length of time before they leave your company?
 - Do employees seem to be leaving for similar reasons (like receiving more pay or a more responsible position)?
- If you suspect there is a problem with one or more positions, try to remedy or prevent the problem. It is sometimes possible to redesign a job by adding more attractive duties and reassigning some less desirable ones.
- If you suspect that you're not paying enough, get some information about what other businesses are paying for similar positions.
- If you suspect that people are leaving because positions elsewhere allow them more growth, you can emphasize to future employees that the position has limited growth potential so that they know what to expect, or you can try to find ways to expand the responsibilities of the position.
- If the problem seems to be with one specific position, look closely at the working conditions of that position. Were the employees in that position forced to adhere to impossible deadlines, given all the worst tasks, or forced to work with difficult customers or employees more than should be expected? There may be something specific about this position that is driving good employees away.

Turnover rates can give the company some indication of whether it actually has a morale problem that is causing employees to leave. The excessiveness of the rate can be determined by comparison with similar industries or with other firms in the same geographic area.

The Costs of Turnover

Monetary and hidden costs associated with employee turnover are also of concern. When an employee leaves your business, it costs your company in:

- **Productivity.** When the employee leaves, productivity will usually take a downturn because other workers may have to add the former employee's duties to their own workload, at least temporarily.
- **Money.** In addition to the monetary costs associated with lower productivity, you may have to pay employees overtime to get them to take up the slack left by the former employee until a replacement can be found. You may also have to face unemployment claims and pay for the cost of recruiting and hiring a replacement.
- **Time.** Not only may you be distracted from your regular duties to cover for a former employee, but you will now have to spend time and money advertising, interviewing, and otherwise looking for a replacement employee. And don't forget the time that you spent training and hiring the former employee. When you lose a lot of employees, you're wasting time and money.

In other words, it costs the business money every time an employee leaves because it takes even more resources to return to the same level of productivity or level of performance that you had before.

Calculating Turnover Costs

Net rate v. true rate. The “net turnover rate” considers the total number of separations experienced by the company, while the “true turnover rate” excludes those unavoidable separations from calculation of the turnover rate.

EXAMPLE Suppose that a company has 200 employees on its average payroll for the month, and that five employees were discharged for cause while ten employees quit voluntarily. Of these latter ten separations, however, two were due to retirement and the other was due to a permanent disability and were, therefore, unavoidable. The rates would thus be computed:

$$\text{net turnover rate} = \frac{15}{200} \times 100 = 7.5\%$$

$$\text{true turnover rate} = \frac{15-3}{200} \times 100 = 6\%$$

Primary Source: *HRTools.com*

EMPLOYEE OPINION SURVEYS

Key Steps In Developing an Opinion Survey

Before you get started, you need to:

1. Decide what you want to find out;
2. Determine who will design the survey;
3. Decide how the survey will be conducted;
4. Test the sample survey in-house;
5. Communicate with employees about the survey before it's distributed;
6. Decide who will analyze the results and how the results will be communicated.
7. Always give feedback to participants.

Deciding What Questions to Ask

An effective employee opinion survey is one that would elicit answers to crucial questions. In designing these survey instruments, employers must ensure that two basic questions are asked:

- Are employees getting what they want out of the employment relationship?
- Is there a complaint about working conditions or supervisors that can be corrected by management?

In a written survey, you'll want to keep the questions clear and easy to answer. The easier the survey is to complete, the more care employees will put into completing it. To simplify it, use multiple choice, true/false, and comparison questions.

Open-ended questions will allow employees to give more detail but may also make it more difficult to get a clear idea of the overall feeling on a particular issue. In small businesses, some employees may fear that you'll recognize their handwriting but will not be afraid to mark boxes or circle their choices. A mix of

question types may help ensure that you get at least some response from every employee.

Design Tips

- Be specific about what you want to find out. Asking too much makes it more complex and costly to analyze survey results, but enough questions should be asked to get the answers an organization needs to make decisions.
- Get input from those who will need to use the survey results, even if an outside consultant is designing and conducting the survey.
- Although many companies choose to mail the surveys to employees' homes with a stamped return envelope, employers can administer the survey on company time.
- In many instances, when an outside organization develops the survey, employees will be more convinced of the company's sincerity if they see money being spent on the survey's administration and follow-up.
- Announcement of the survey should come from the company's top officer, by letter to all employees some three or four weeks before the survey, emphasizing that the survey will preserve the anonymity of the responder and letting them know who will analyze the questionnaires.
- Give the employees adequate time to compose thoughtful answers.
- Ask everyone to complete the survey in order to get the most accurate information. If left to voluntary completion, only those employees with strong negative or positive feelings will complete it.
- Regardless of how the survey is conducted, confidentiality must be guaranteed. Results must remain anonymous.
- Management must be prepared to make a thorough review of the results and make specific commitments.
- Don't include questions on things that the company can't change;
- Follow-up is important; Conduct follow up meetings to determine why employees answered the questions the way they did.

- Communicating survey results to employees is best done in face-to-face meetings with employee groups and supplemented by dissemination of results in newsletter or letter to employees;
- Surveys should be conducted annually.
- Respond to the survey results within 30 to 60 days. This is the tricky part, as you may find that employees want something you can't provide. It will be important to make at least a first-step response that addresses their concerns and explains the company's position. For example, if a common complaint is not enough vacation time, you might offer to give them an extra day off if certain productivity goals are met.

Interpreting and Using the Results of the Survey

Studies indicate that between 10 to 30 percent of employees will be dissatisfied with their jobs at any given time. If you find that a larger number of employees are unhappy, try to find patterns in the areas of dissatisfaction.

One way to initiate the feedback process is to start with the overall positive responses and then cover any negative ones. Not only will that have the biggest effect, but you'll be pleasing the largest number of people. Try to follow up on the survey with some type of action within 30 days.

Keep your options open for solutions. Be creative and solicit employee input in addressing some of the problems that you decide to tackle. You might also check with other business owners to see if they have come up with any creative solutions to similar problems.

Sometimes there won't be much that you can do. For example, the consensus may be that pay is too low, but you may not be able to afford to give everyone a raise. Maybe you can look at trimming benefits and giving higher pay raises, or offering bonuses for exceptional performance. If there doesn't seem to be any solutions, talk with employees and explain your position. Maybe they can offer solutions or suggestions. At the very least, acknowledging them and their concerns lets employees know that you care enough to be honest with them. Don't just ignore the problem and hope that employees will forget — they rarely do. Giving them the brush-off will only damage morale more.

Once you've determined whether you have a morale problem and where it originates, you can get to work on trying to solve it.

Primary Source: HRTools.com

RECOGNITION AND REWARDS PROGRAMS

Everybody likes to have his or her achievements recognized by others. Even though personal satisfaction will come from meeting a predetermined goal, it is always more meaningful if someone else is there to share the success. Workers are usually not averse to putting out an extra effort when the business needs help in overcoming a problem or meeting a production deadline. But if the extra effort goes unnoticed, employees will wonder why they should bother. A moment or two from you to thank the employee and emphasize how that employee's efforts have helped will cost nothing and will go a long way toward increasing the employee's self-esteem and motivation.

In devising your recognition and reward program, consider:

- what type of behavior to recognize
- what to give as a reward (especially on a shoestring budget)
- how to present the reward or recognition

When to Recognize and Reward

There are no hard and fast rules about when or what types of occasions merit special recognition. Some of the more common reasons for recognition and reward are:

- length of service (usually landmark anniversaries like one, five, 10, and 20 years of service, for example)
- retirement
- safety (usually more common in manufacturing businesses, this includes recognition for achieving a certain number of days without an on-the-job injury)
- attendance (six months or a year without an absence is the typically rewarded goal)
- productivity
- customer service
- superior performance awards (usually for outstanding effort and achievement on a specific project)
- employee-of-the-month programs

What Rewards Can You Give?

Typical rewards given in conjunction with employee recognition are:

- certificates
- plaques
- trophies or ribbons
- jewelry (pins, pendants)
- pens or desk accessories

- watches and clocks
- cash bonuses
- savings bonds
- tickets to sporting or cultural events
- vacation trips

Recognition on a Shoestring Budget

Even if your small business can't afford to go all out due to budget constraints, recognition is one case where the thought does count. If you can't afford something expensive, consider a nice card and a gift certificate to a restaurant. Or, consider taking the employee to lunch or just having an informal "thank you" party with punch and cookies for the employee or group of employees you want to reward.

Here are some other more inexpensive forms of recognition suggested by Rosalind Jeffries and Kathryn Wall, in *"Recognition Secrets: A Succinct System for Organizational Success,"* Best of America HR Conference & Expo, Tampa, Florida, February 11, 1991:

- **Write personal notes to employees.** Jot down a message to one of your employees, recognizing him or her for better performance on the job, or write a thank you note to an employee for putting in extra time in the workplace. Use your personal stationery.
- **Create a "year in review" booklet.** Have a year-in-review booklet with pictures or a celebration highlighting your employees' proudest achievements of the year.
- **Give courtesy time off.** Grant employees an afternoon off, or even a day or two of leave for special, personal events in their lives.
- **Give credit when credit is due.** Remember to give credit to those who have introduced great ideas and completed special projects.
- **Put up a bulletin board.** Construct a bulletin board at your place of business to recognize employees through letters, memos, pictures, thank you cards, and other methods.
- **Have a "Friday surprise."** Surprise your staff with something nice on Friday, recognizing them for working hard or just hanging in there.
- **Get a traveling trophy.** Establish a trophy that goes each month to the employee exhibiting the greatest overall performance — behaviors and results — in the business.

Many word processing programs have built in templates that can help you create an award certificate from your printer in a matter of minutes. For example, Microsoft Word has several different styles of award certificates. All you have to do is fill in the information.

Don't give awards out every day or else they will lose their meaning. Be especially careful not to give them to everyone, but only to those people whose work really stands out. Giving out awards just to give them out is a *de-motivator*. Use them sparingly and when deserved.

How to Present the Reward and Recognition

How you present your reward and recognition is almost as important as what you recognize and, arguably, more important than what you give as a reward. If in giving the best reward you can afford for a special occasion, you simply drop the award off on the employee's desk while mumbling a "thank you" on the way out the door, you've wasted your money and may even have done more harm than good.

Recognition that means anything is given with sincerity and thoughtfulness. It must be treated as special, because that's what it is. It should *not* be treated as some necessary evil. If it's worth doing, it's worth doing right. Recognizing an employee is not an end in and of itself. It's a means to an end — making the employee feel valued and reinforcing desirable behavior.

Generally if something is worth recognizing, it is worth publicizing. Unless you have an employee who is extremely shy and introverted, a little celebration is a good way to bestow recognition, whether it takes the form of a plaque, a bonus, a certificate, or just some words of praise and a "thank you."

Some suggested ways to bestow recognition are:

- Bring donuts and coffee, and make the presentation during the morning coffee break.
- Set aside some time at a regularly scheduled (weekly, monthly, yearly) meeting to recognize achievements.
- For more formal presentations, have a dinner.

If the employee is shy and likely to feel uncomfortable, you may choose to send an e-mail message or a memo publicizing the achievements of the employee instead of having an in-person gathering.

Primary Source: HRTools.com

AUDIT CHECKLIST: TRAINING AND DEVELOPMENT

With more and more companies realizing that people are their greatest asset, the training and development section of the audit provides human resources professionals with steps to ensure this function is being utilized.

- ___ 1. Are training objectives clearly defined as to development needs?
- ___ 2. Are records maintained to assess and control training costs?
- ___ 3. Are employees given the opportunity to comment on the quality of training?
- ___ 4. Is there ongoing supervisory training in leadership and managerial knowledge and skills?
- ___ 5. Is there pre-supervisory training for employees who desire to be supervisors?
- ___ 6. Is the tuition reimbursement program conducted pursuant to the company policies?
- ___ 7. Are there procedures in place to recognize employees who successfully complete self-development programs?
- ___ 8. Are employees aware of and encouraged to participate in self-development opportunities?
- ___ 9. Are there training programs available to aid current non-supervisory employees in acquiring needed job knowledge or skills for promotion or advancement?
- ___ 10. Are special training programs reviewed to ensure they have adequate minority representation?
- ___ 11. Is there specialized training, such as sexual harassment training, provided on a periodic basis?
- ___ 12. Can the company prove what company-provided training each employee has had?

COACHING SKILLS FOR SUPERVISORS AND MANAGERS

In the workplace, coaching communication should be a counseling process with individual steps, such as the following:

- ____ 1. **State an objective.** At the beginning of a counseling session, state the reason for the meeting. Give some background about the problem and commit to a plan of action.
- ____ 2. **State a desired change.** The supervisor should make it very clear how the desired behavior should be different from current or past behavior.
- ____ 3. **Allow a response.** The supervisor should ask for the employee's opinion about the problem. It is important to ask the employees what they think the reasons are for a problem. The employee should not be allowed to move into a mode of denial.
- ____ 4. **Discuss solutions.** The employee should suggest alternatives, as should the supervisor. It is paramount that the employee not be allowed to shift the problem back on to the supervisor, however. The supervisor may, in serious cases, suspend the employee until a solution can be reached.
- ____ 5. **Agree.** The supervisor and the employee together should arrive at a solution that both feel is appropriate and beneficial.
- ____ 6. **Write it up.** The supervisor should prepare a written action statement about the solution and the plan for implementing it, complete with follow-up dates.
- ____ 7. **Get a commitment.** The employee should make both a verbal and written commitment to the plan. This provides good documentation should the supervisor need to take more serious action. The supervisor should have the employee sign the written action statement.
- ____ 8. **Follow up.** The supervisor can meet again with the employee on the prescribed date and discuss progress in implementing the solution. If the employee has met the objectives of the plan, the follow-up meeting would be a perfect time to provide recognition for that accomplishment. If not, then the supervisor can advise the employee of a need to comply or indicate contemplation of more serious action.

EMPLOYEE COACHING SCRIPT

Ten Steps for Giving Feedback

Step 1. Get to the point.

The purpose for this meeting is....

I asked you here to discuss.....

I want to spend some time discussing how you....

Step 2. State why you are having this conversation.

I have a concern about....

A problem has occurred in.....

Step 3. Describe what you know.

I saw.....

When I was told, I looked into the issue by.....

Step 4. Describe the consequences of the continued behavior.

If this continues, then

In looking at this situation as a customer would, it appears...

Step 5. Describe how you feel about what you know.

I am very concerned about.....

I do not think it is right that.....

I am upset that errors in the function keep occurring.....

Step 6. Encourage the other party to give their side of the story.

Now, that's what I know but what is your view....

Is that the way you saw it.....

OK, now what is your reaction?

Step 7. Ask as many questions as you need to understand the situation from the other person's perspective.

Well, how do you know that....

And then what happened ?

If you did that, then why did....

Step 8. Decide what specific actions must be done, when and communicate that to the other party.

I believe you must....

In the next meeting, as Point 4 in the agenda, you will....

Step 9. Summarize the conversation.

Let's recap, you will.....and I will.....

Step 10. Follow up.

I will contact you next.....

Primary Source: HRTtools.com

SELF-ASSESSMENT: HOW DO I RATE AS A COACH?

This self-assessment will help you identify those areas where you can improve as a coach. Remember that your goal is to enhance your existing coaching skills so that you can help your employees be more effective in their jobs.

To what degree do I...

	Small Degree				Large Degree	
	1	2	3	4	5	6
1. Set specific performance standards and expectations for my employees?						
2. Help employees set their own goals?						
3. Carefully plan for a coaching session by determining what I want to say and what I want the outcome to be?						
4. Address specific behavior rather than attitude or evaluative judgments?						
5. Begin a coaching session by expressing empathy and understanding?						
6. Use active listening techniques, such as paraphrase or restatement, to ensure clear understanding between myself and my employee?						
7. Give the employee opportunities to offer suggestions?						
8. Use open-ended questions to encourage employees to open up and express themselves?						
9. Demonstrate support by using praise and agreement to reinforce what the employee says?						
10. Create an open environment that encourages collaborative, two-way						

communication?

11. Guide employees in a problem-solving process rather than tell them what to do?	1	2	3	4	5	6
12. Help employees develop a performance improvement plan?	1	2	3	4	5	6
13. Meet regularly with employees to monitor their performance improvement efforts?	1	2	3	4	5	6
14. Reward employees for achieving the desired results?	1	2	3	4	5	6
15. Explain how what they do fits into the "big picture"?	1	2	3	4	5	6
16. Communicate to my employees that I have confidence in them and their abilities?	1	2	3	4	5	6
17. Prioritize areas for improvement rather than address everything at once?	1	2	3	4	5	6
18. View coaching as one of my most important managerial responsibilities?	1	2	3	4	5	6
19. Show a genuine interest in the employees during a coaching session through positive, nonverbal behavior?	1	2	3	4	5	6
20. Give positive reinforcement to an employee for improving performance, even if the employee has not yet met my expectations?	1	2	3	4	5	6

Use the following scale to determine your success as a coach:

101-120	You are a top-notch, supportive performance coach.
81-100	Your coaching skills need some fine-tuning.
61-80	You need to focus on a few areas for improvement.
41-60	Coaching skills improvement needs to be a top priority.
0-40	You need to closely examine your basic management practices.